

ER

Central Intelligence Agency
Washington, D.C. 20505

7 February 1985

Executive Director

Executive Registry
85- 608/1

NOTE FOR: DCI

I know this is a tough issue for you.
Here is another cut at putting the case for our
needs with arguments you might be able to support.

25X1



James H. Taylor

Dist:

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7 February 1985

Talking Points on Retirement

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- I've thought a good deal about the proposals for changes in the Civil Service Retirement System and the CIA Retirement and Disability System (CIARDS). At the present time, the percent of our employees who serve overseas in dangerous or stressful circumstances can retire at age 55 with 20 years of service. All other Agency employees are subject to today's Civil Service rules, allowing retirement at age 55 after 30 years of service.
 - I support most of the proposals for change in our government's retirement system as they apply to CIA. I believe that the proposed increases in retirement age for our people will, however, have major negative impact on our ability to maintain the first-class intelligence service we now have. Early retirement, particularly for those who have performed dangerous qualifying service, generally overseas, is essential to our institutional vitality.
 - Our overseas people merit special consideration. We ask them to devote themselves to careers which often sharply limit their subsequent employment possibilities. Espionage skills are not always marketable. We must provide adequately for their later years if we expect them to give us their younger years.
 - "Burnout" in our profession is a fact of life, not so often for our most senior people, but rather for the hundreds of middle level officers and their families who reach "plateaus" in their careers and whose limited further career horizons can only reduce their enthusiasm for difficult and dangerous work.
 - I don't support age 50 retirement for all Agency employees. But raising the retirement age for our nonoperational people to 65 is also a mistake.
 - I believe it is important to our country to preserve the concept of a career intelligence service.
 - This is increasingly difficult in our country where mobility seems so highly valued by many of our smartest young people.
 - We can still motivate people to consider an intelligence career which will allow, particularly for those with the most talent, the option of a 5-15 year second career in the private sector.
 - A system which requires people to stay with us till age 65 will reduce our ability to hold the bright young people we have been successful thus far in attracting.

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- I fear that our future new recruits will come to us mostly to have their "tickets punched"--to get security clearances and government experience before starting on their real careers.
- We have a real stake in promoting a career system at CIA for security reasons. It is important that we employ one intelligence officer for 30 years, not six intelligence officers for five years each. An intelligence organization which can't hold most of its employees for an entire career has the potential over time for spreading a detailed understanding of CIA's capabilities to 5 or 6 times as many Americans as is the case today.
- Although the case isn't as urgent as for those performing dangerous operational service, it is just as important to maintain a vital, hard-working work force for our analytic, scientific and other responsibilities as it is elsewhere in CIA. The constant reinvigoration of our work force by a flow of new people is critical to our ability to do high quality work across the board: in terrorism and narcotics analysis, arms negotiations support, and in all the other areas of priority national concern we address.
- I realize I'm going against the tide. "Portability" of retirement systems is fashionable. The needs of our intelligence service are, however, different. The last thing we need is portability. CIA needs a system which is so attractive that people join but do not leave, except for retirement, death, or selection out.
- The point of all the proposed changes in our government's retirement programs is cost-savings. Of course, we must reduce the cost of these programs to the taxpayer. I can't justify asking for exceptional treatment in the current situation without also acknowledging that it may be necessary for CIA employees to bear an additional portion of the costs.
- I seek your agreement to develop a separate system which we at CIA would administer ourselves, which would provide a meaningful reduction in the total cost of our program to the taxpayer, and which would reward dangerous overseas service, while helping us to motivate our best people to stay with us for a reasonable career.

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MEMORANDUM FOR: ER

Attached was sent to DCI via courier on Mon night (4 Feb). ExDir has hand-carried copies to DDA, DDI, DDO, DDS&T, and IG on eyes only basis as working paper.

Date 6 Feb

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ER

4 February 1985

NOTE FOR: DCI
FROM : ExDir
SUBJ : Changes to Retirement System

The government-wide effort to change our retirement system puts you in a particularly difficult position:

If you assert CIA's interests too loudly, you risk alienating other members of the intelligence community.

If you argue only to protect early retirement for operations officers and those with qualifying (overseas) service here, you appear to favor certain of our people over others.

Most important, now that the President's decisions have been made, not supporting them is extremely awkward.

I nevertheless believe we need to take action. For me, the concept of early retirement for those who perform qualifying service (generally overseas) is essential to our long-term vitality. Burnout is a fact of life--not so often for our most senior people but rather for the hundreds of GS-12, GS-13, GS-14, and GS-15 level officers (and their families) who do reach "plateaus" in their careers and whose limited further career horizons inevitably reduces their enthusiasm for a difficult and dangerous career.

Just as important, the United States owes a satisfactory retirement income to the men and women who commit themselves to the kind of career which generates CIARDOS' qualifying service. The country owes them this for all the usual reasons, but particularly because an overseas career with CIA does sharply reduce the options available to our people for post retirement employment. I don't see how we can ask people to live a clandestine career, greatly limiting their capability to support themselves after they leave CIA, and then not support them adequately in retirement.

But should our other employees--those who do not serve abroad or otherwise qualify for early retirement--also receive some sort of preferential treatment? Most of our employees are today members of the Civil Service Retirement System, subject to the same rules as everyone else in civilian government service. On what basis is it possible or desirable to seek favored treatment for them?

The arguments I think are these:

It is more important in CIA to preserve the notion of career service than it is elsewhere in the government. This is increasingly difficult in our country--where mobility seems so highly valued by large numbers of our nation's smartest young people. It is still possible to motivate people to consider a career with us till age 55 and then--particularly for our best



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people--a five or ten year second career in the private sector. I doubt that a system which requires people to stay till age 65 will hold America's brightest young people. Rather, they'll come here to have their "tickets punched"--to get a security clearance and government experience before starting their serious careers--in somewhat the same way that ambitious young people seek to work for our committees on the Hill.

Second, we also have a stake in promoting a career system here for security reasons. It is important that we employ one intelligence officer for 30 years, not six intelligence officers for five years each. A system which can't hold most of its employees for an entire career has the potential over time for spreading a detailed understanding of CIA's capabilities to 5 or 6 times as many Americans as is the case today. We really do need a compensation package which can hold our employees for a career.

Third, although the case isn't as urgent as with those performing CIARDS' qualifying service, it is just as important to maintain a vital, hard-working group of people for our analytic, scientific and other responsibilities as it is elsewhere in CIA. The constant reinvigoration of our work force by a flow of new people is critical to all our functions.

Finally, I suspect that the real impact of all of this in the short term will be focussed on our employees who are now between ages 35 and 40. Most of these folks have served with us 10-15 years. Some will believe they must now decide whether they wish to commit to another 20-25 years with us, or make a career change and move to the private sector. As is so often the case, it will be the best people--those with the most capability and mobility--whom we will lose.

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Central Intelligence Agency



Washington, D.C. 20505

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

All of us share your goal of reducing federal expenditures. It is also clear that reducing the overall cost of the federal work force will help us meet this goal. I am, however, deeply concerned about proposed changes in federal retirement systems affecting the Central Intelligence Agency. Some of the retirement system decisions now being made will be very destructive for our intelligence capability.

I know you understand the extra stresses and strains of overseas service, particularly when carried out under cover in sometimes dangerous circumstances. "Burnout" in aspects of our profession is a fact of life. These factors explain why we have the preferential system we presently enjoy. Substituting age 60 retirement for today's CIA Retirement Act, which provides a reasonable annuity for our operational people at age 50, will have a devastating effect on our ability to find and maintain the very high quality work force we need for our clandestine service.

But there is another equally fundamental problem. We must work very hard to protect the concept of the career intelligence officer for all of CIA. It is important to our security that we do everything possible to limit the numbers of people deeply knowledgeable of the very important details of our profession. It is important that we employ one intelligence officer for 30 years, not six intelligence officers for 5 years each. We must work to ensure that retirement systems and compensation packages encourage our people to stay, not to leave. I am deeply concerned that raising the retirement age for those not engaged in operations to 65, vice 55 today, will encourage our youngest and brightest people to reconsider their long-term commitment to our profession--to think of CIA as a place to get one's "ticket punched," but not as a place to work for an entire career. I seek your support for less damaging changes in the retirement system which affect us.

Respectfully yours,

William J. Casey
Director of Central Intelligence

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